

NOTICE OF WORKSHOP OF BERKELEY COUNTY COUNCIL

A **Special Workshop of Berkeley County Council** was held on **Monday, April 23, 2012, 7:40 p.m.**, in the Supervisor's Conference Room, Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina.

PRESENT: Supervisor and Chairman of County Council, Mr. Daniel W. Davis; Council Members Mr. Phillip Farley, District No. 1; Mr. Timothy J. Callanan, District No. 2; Mr. Robert O. Call, Jr., District No. 3; Ms. Cathy E. Davis, District No. 4; Mr. Dennis L. Fish, District No. 5; Mr. Jack H. Schurlknight, District No. 6; Mr. Caldwell Pinckney Jr., District No. 7. Council Member Steve Davis was excused.

ALSO PRESENT: Deputy Supervisor and Finance Director, Kace Smith; Human Resources Director, Ms. Leonitta Turner; Human Resources Compensation/Benefits Professional, Ms. Denise Mitchum; County Attorney, Ms. Nicole Scott Ewing; and Interim Clerk of Council, Catherine R. Windham.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

CALL TO ORDER

Supervisor Daniel Davis: "Ok, we'll go ahead and call this workshop to order. Obviously, you know that this is about the compensation study. We told you we need to introduce it a couple of meetings ago to make sure that we want to make sure that everybody understands it so, it would give you every opportunity to look over the material and make sure we understand it before we go any further with it. With that, I will turn it over to Denise or Nita?

A. DISCUSSION: Compensation Study

Ms. Turner: "I just wanted to real quickly say that Human Resources have put a lot of work and effort into the compensation study. What Denise is going to share with you, when she talks to you, is just one of the groups that we have. We have a lot of different groups and we wanted to kind of give you a line to kind of see what each area would look like. Just so you know, you have unique names in there but they all relate to real names and real titles that we have that are within the County. So, that you know that when you're looking at the spreadsheet, you're looking at the data and that also, we want you to know that as we looked at the analysis and when we looked at the compensation areas we've looked at National, International, State and County. So, we looked at a lot of different surveys. We didn't just take one area for granted and we looked at a lot of different pieces of information. So, when we finally present the entire Compensation Study to County Council and you understand the process we used and you understand the salaries, and the bands, and all that information, we are confident that we probably turned over every stone including (inaudible) employees. Talking to various counties and looking at any national surveys that were truly accredited so that we could do the best of diligence for our citizens. Going on down, I'm going to go ahead and let Denise go ahead and talk and share with you additional information regarding this and we will present as many

workshops or do as much as we need to, to make sure that you understand what we had to do to get this study where it is and why we thought that it was important.”

Ms. Mitchum: “Thank you Nita. I just wanted to point out one thing. In the left pocket of each of the blue folders you have a (inaudible)...if you would like to take some notes. In fact, if we go forward, technical difficulty. That’s good, that’s the second slide, and we’re getting there. As I spoke a few weeks ago at County Council, what we’re recommending as a proposed pay system for County Employees is we’re proposing a Broad Banding System. Currently, that system is used by the State of South Carolina and it’s also used by an agency close to us which is Charleston County. **(Broad Banding Slide)** This places job clusters and tiered positions into bands in order to better manage career growth and pay. It collapses numerous pay grades and combines several job classes into a single, large salary band or range which is implemented as an alternative to the traditional salary grade structure. Also, in your left side pocket you’re going to see the current grade system that we have. **(Why Broad Banding? Slide)** You may ask why we selected Broad Banding? First of all, it’s a very flexible system. It’s not new. It’s been around a long time. It eliminates a lot of the administrative details. It also goes with our commitment to Performance Management. We firmly believe in “What gets measured gets produced.” More salary control placed back with the supervisors and department heads and again, it’s implemented as an alternative to traditional salary grade structures. **(How Does This Affect Salary Administration? Slide)** Salary increases are recognized when an employee demonstrates new or better developed competencies within the same band. There is no title change required when giving a salary increase. The following factors should be considered before increasing salary: we always look to see if the funds are available, we must have a legitimate business need to make the change and we also need to look at our internal alignment from department to department. Now, before we came up with Broad Banding we had to go out and look at the jobs. So, everybody from the Human Resources office took about 6 months, maybe a little longer, and we went out to every department here in the County. From the Sheriff’s Office to Real Property to IT, Roads and Bridges, Facilities and Grounds, and we looked to see what people do. What is their job? **(Job Analysis Slide)** And, we all know that success of every organization is dependent upon employee performance. We wanted to make sure that all our jobs are aligned with the Berkeley County Mission, Vision and Goals and of course, we need to document the requirements of the job and the actual work that’s performed. **(Job Analysis Uncovers Slide)** There’s a lot of things that a job analysis uncovers besides just pay issues. It also lets us know if we’re giving the right tools and technology to an individual to be successful on their job. It also allows us what working conditions under which they are doing the job, any training needs that would help them move up or do a better job for the County and its citizens; of course, compensation and selection procedures and hopes that we get the best person for the job, the first time. It’s more cost effective that way because it can cost us quite a bit of money if we have to go through the selection process several times. **(How Did We Begin Our Job Analysis? Slide)** How did we begin this analysis? Well, we looked first to compare the current pay grades that we have. Right now we have pay grades 1-49. Then we took the same job and all the departments the job was in and we looked to see if there were any comparables or contrasting points between each individual department. For example, you may have a Skilled Technician 1 that may be in Facilities and Grounds. It could be at Sangaree Special Tax District. It could also be at Roads

and Bridges. So, we wanted to look to see if we were actually comparing apples to apples. We also did a benefit comparison of similarly situated Government entities and you'll see inside the blue envelope. There's a section that's identified as benefits. That is the most recent benefit information that we have at the time from the different entities. I believe that its Section 3 is where you'll find that information in case you're following along in the booklet. Yes, Benefit Comparison. So, we looked at what we're paying people but we looked at also the other monetary components of what a person salary entails. But when we tried to review all jobs for disparity issues like salary compression, unfortunately, here at the County we do have a little bit of salary compression. (***What Is Salary Compression? Slide***) Salary compression occurs when only a small difference in pay exists between employees regardless of their knowledge skills or abilities. Factors can include internal problems, external problems, and it could be perceived or true compression. I'll give you an example. You have a Sheriff's Deputy that's been with us, they're a Private First Class and let's say they make \$30,000 a year. You have an opening at the Sheriff's Office for another PFC. You interview outside candidates. You determine there's a person out there that meets all the qualifications and they're already certified. However, they may not want to come here for \$30,000. We may wind up having to pay them a few dollars more. Now, is that fair to the incumbent? Absolutely not. But, the new person that's coming on board may actually have knowledge skills and abilities that we're looking for but they've gained those at other places of employment. Whereas, the persons that's been here the whole time, they've been working along. They've been learning their job. They bring more to the table than they did four years ago, but perhaps we haven't recognized the fact that their job, the market value for their job has increased and we need to increase their pay. That is an example of the salary compression. (***What Method Of Evaluation Did We Use? Slide***) After we did the job analysis then we evaluated the jobs. This is what we look at when we determine what the job is worth. The evaluation process we went with was the factor comparison. This measures compensable factors that are identified as determining the worth of jobs. The number of factors for each job is small and targeted and I can give you a very simple example right here under working conditions. This is not an all-inclusive list. For myself, I work in an office environment. Everything here for me is climate controlled. Every day I come into work, I work in an air-conditioned or heated environment with a roof over my head. That isn't a factor when you look at what I should be compensated. However, if you look at an individual that works outside of their primary job, is to be outside, in all weather conditions. Whether it be snow, rain, heat, dealing with insects, and in some cases they may be dealing with snakes and spiders and such as that. That doesn't have any effect in my job, but it may have a definite effect in a person's job that works outside so we do need to make that a compensable factor for certain types of occupations here at the County. (***What else did we consider in our evaluation? Slide***) Well, not only did we look at salary, we also addressed overtime pay, health, dental, and life insurance benefits, paid holidays, PTO or paid time off, retirement plans, because the County does make a significant contribution for each and every employee in our Retirement System. Work hours including any shift work and the use of County vehicles. (***Then What? Slide***) Well, we determine how jobs should be classified. As I said earlier, our recommendation is that jobs need to be classified into Career Bands. You'll see that in the very first section of your blue folder, salary band wage information. There are two pages. Everything's broken into four categories. It will be Administrative and Technical, Professional and Management, Law Enforcement and

Emergency Services. Within each one of those categories they have five to six pay bands and that's all. A band depends on the person's job duties or the employee level in the organization and career band classification is based on the unique demands and responsibilities as specified job description and also, the job's value to the organization. (***We Determined There Should Be A 3-Tier Strategy Implementation Slide***) Finally, we determined that there should be a 3-Tier strategy implementation of this plan. In the very back you have a pull-out spreadsheet. I apologize that it's a little small but we tried to get everything on one page. With the 3-Tier strategy it helps us to determine the amount that an individual should be paid regardless of whether a position is held by a new hire or an incumbent that has been with the County. Now, if you look under expertise levels. That's also in your blue folder. It lets you know that there are different expertise levels for each job. (***Spreadsheet***) Now, Tier 1 increase... which if on your spreadsheet you're looking at that, it's the red column; that's Tier 1. Tier 1 increases are for those individuals that are holding a job, that they're not being paid the market value. I believe, if I'm not mistaken, on Section 1, the red, there are nine individuals that right now if we adopted the compensation study; that are below what the fair market value is for those jobs. Now, if you look on the left, these are names we made up. From TV shows, to Bugs Bunny, to anything that I grew up with. It's to protect the innocent. But they are actual individuals, as Nita stated earlier, that are in these jobs and we have actually given you salaries and the recommended pay band that we think that those positions fall under. Now, let's say a person within Tier 1 and they are above the minimum for that new pay band or career band, then we would look at Tier 2. It's for those employees' whose levels responsibilities and experience are above average and should be compensated accordingly. A good example of that might be an Appraiser in Real Property Services. When an Appraiser gets here, they're fairly green. But, as time goes by they get to know the County. They get to know how to properly evaluate properties. The County pays for them to go to training. We pay for certifications so that if we're ever in a situation where we have to defend ourselves in a legal scenario then we do have someone who has the authority and the knowledge to adequately represent the County. Tier 3, this tier is for those who have a much needed talent within the County. These factors include knowledge skills and abilities for positions critical to the success of the County. And we can use Nita as an example; she's the HR Director here. But, if Nita were to leave and to go to another place of employment, certain skills that she has, that she brought here to Berkeley County from Honda and Mitsubishi are transferable. For example, FMLA. FMLA is the same for Berkeley County as it is for Honda, as it is for the Department of Labor, as it is for any...well, I won't say international but, nationally. Also, ADA, compensation, recruitment, retention, any of that stuff is transferrable and can be utilized by any company, not just Berkeley County Government. That's a big difference between a Tier 2 and a Tier 3. A Tier 2 is somebody that has gained knowledge skills or abilities that are specific to Berkeley County and will enhance our abilities to take care of the services of the citizens. Tier 3, are those positions that are essential for Berkeley County. But, those skills can also be transferred to another employer...so, a little more specialized in Tier 3. On your spreadsheet, Tier 2 is the orange line or the orange column and Tier 3 on your spreadsheet is the yellow column. So, that's all I had. I didn't want to keep anybody too long. Again, this is for information only purposes. I didn't ask anybody, I'm not asking anyone to make a vote, to take a vote or anything. We wanted to offer up a little bit of information. We didn't want to bombard

you. But, I'll be glad to answer any questions that you have, if you have any questions...Mr. Callanan?"

Council Member Callanan: "So, you've done this for every employee so far or no?"

Ms. Mitchum: "I've done this for every position. Have I met with every single employee in the County? No sir, I haven't."

Council Member Callanan: "Ok."

Ms. Mitchum: "But, we've met with a large enough percentage of employees in each position."

Council Member Callanan: "So you know who, based on that criteria, might be underpaid, overpaid, that sort of thing?"

Ms. Mitchum: "We have, based on our analysis; we have determined that there are some positions in the County that are underpaid. There are some that are right on the market value and there are some that are overpaid, yes sir."

Council Member Callanan: "The, clearly, we're not going to cut somebody's pay. What's your estimated cost of implementation?"

Ms. Mitchum: "Well, and I want to address your one point, you're correct, that is not our recommendation to cut anyone's pay. However, if it's a position that... for market value, is less than what a person that's in it now is being paid, once that person retires."

Council Member Callanan: "Right."

Ms. Mitchum: "Or leaves then we would downgrade that position to the next one they hire. I have given some preliminary numbers to Mr. Davis and to Kace. We have dug everything that we need to do on every department except for I'm not 100% comfortable yet with our numbers for EMS. EMS is a really tough area to try to get accurate market data because everybody does, they pay differently for different hours. We operate on a 24 hour on-shift, 48 hours off. Charleston County has some EMS folks that operate on a 12 hour schedule. I've taken all the data that's available in the South Carolina Salary and Wage Report that just came out, but I'm still not a 100% satisfied with what I've seen. I still have some questions concerning that particular department and also Communications."

Council Member Farley: "Could we get an itemized list by departments?"

Ms. Mitchum: "That would be available, absolutely. Now, like I said those two departments, their numbers may be off a little bit, but I'd be glad to provide that for you. We had

broken it down by the tiers. I have a Tier 1, the cost, by each department and the total, Tier 2, by each department and then a total, and then Tier 3. That's how we have that."

Council Member Farley: "And how are you justifying this by?"

Ms. Mitchum: "Justifying the proposed changes in pay?"

Council Member Farley: "Right."

Ms. Mitchum: "Ok, that's a very good question Mr. Farley. What we're trying to do is we're trying to stay competitive in the market. Now, some jobs and I'll tell you I think this is the case with a lot of our Law Enforcement and Detention Center jobs. Those we're looking more at the local market. We lose people to Charleston County Detention Center. We lose people to Dorchester County Sheriff's Office, Georgetown, and Colleton County. We don't normally lose people to let's say, a police department in California or a police department in Florida. Those areas are relied more on the local market value. Other jobs we rely about 50/50 upon local and national local data. So, we're relying on numerous sources. If you will look, there's also a section, Section 4 (*Compensation Comparison 2011-12*) in the book that is recommended salary bands and wages. Again, these are fictional people, but this is actual data. The data is not fictional it's exactly like it is. We looked at Administrative Clerk 2 and 3. We're recommending you do away with Administrative Clerk 2 and 3 and just make that a pay band 1, AT1, Administrative and Technical. And, these are the different sources that we went to, to get those different dollar amounts. First, we went to the Bureau of Labor Statistics which is operated by the Federal Government. Then we went to Business and Legal Reports. Also, Economic Research Institute and Kenexa are all data companies. That's all they do. They mine data from all these different sources. They actually have a farther reach than what we would have. So, I did petition to get those companies to provide information to us. Dice Holdings, that's also another one that you could look at and if we had anything from the two local counties Dorchester and Charleston, I also collected that data based on the most recent salary based survey they did for 2012. Now, if you look on the right hand side it says the Median Base Salary. This is what they reported to us. We took the number of sources. In this case, in this particular pay band, we took six sources, we took and we added all those numbers together divided by six to come up with a median market value. Which is what, if a person....it's really there where you want most of your people to be. You want them to be at midpoint in their pay bands or pay grades. That keeps us competitive with the outside sources. If you look at the pay band that we recommended, we recommended the starting salary of \$18,648. Ending salary of \$32,116 and our midpoint is \$25,382 which is within less than \$1000 of what the market value is for that job. So, having said that I would say that what we're trying to do is we're trying to make sure that we're compensating our people fairly that we have had any salary compression issues and that we try to provide the best services that we can in the County without wasting anyone's money."

Ms. Turner: "Mr. Farley, I'm going to add something else to that too. When we looked at the National data we pulled out South Carolina. We didn't look at National and put in data from California or put it in from North Carolina or other states. They have the National Holding

Companies and the National Database Companies. But, we made sure that we looked at who we we're competitive too."

Ms. Mitchum: "Nita brings up a very good point. In that second column of the survey sheet it asks you, it tells you the survey scope and we, as far as we could, we drilled down everyone of these to at least South Carolina and if not, the Charleston, North Charleston area; if they had data that specific. Yes, sir?"

Council Member Callanan: "You know some of it's always bothered me. It has to do with how we handle the salaries of elected officials because unlike a situation where someone, an elected official gets the COLA and all that, or at least most of them do. Then that elected official leaves and a new one comes in, they start where that guy left off even though that person may have had, you know, a decade of seniority...."

Council Member Fish: "28 years."

Council Member Callanan: "Instant increases. Is it any way that, that is addressed here or we just can't do it, or does law restrict us from doing it?"

Ms. Turner: "It's not addressed. Law doesn't restrict us and that's where we think...we are actually looking at. We would have to put out, we'd have to put together a different formula. One of the things that I found out when we were doing this is when we look at some of our elected officials, in some cases, we would also have ordinances and resolutions which would allow them to have increases that..."

Council Member Callanan: "Sure."

Ms. Turner: "Was not as proper. So we actually do plan to look at that even. And that area and the Director's salaries we haven't touched as much because we're more concerned right now with our general employee populous. But those agree that is an area that we want to address and we want to look at. It's a little bit more touchy because of some of the formulas we print for example, if you're doing Clerk of Court or if you're anyone that's in the court system, there are specific minimums."

Council Member Callanan: "Sure."

Ms. Turner: "But as long as we meet those specific minimums are and County Council agree with those minimums, we can look at that as a focus. So, that is a change we do plan to at least recommend."

Ms. Mitchum: "Is there any other questions I can answer? Wow."

Council Member Farley: "Are you looking also in this, are you looking at leave and the way leave is accumulated and also?"

Ms. Mitchum: "We are, we did look at not an individual's leave but we did look at personal time off. How many years in you have to have, at what accrual rate, and we also looked at the number of holidays that Berkeley County pays for employees."

Council Member Farley: "What I was wondering about was when someone TERI...and in essence what we do is they retire."

Ms. Mitchum: "Yes, sir."

Council Member Farley: "And then we hire them right back. Correct?"

Ms. Mitchum: "Yes, sir."

Council Member Farley: "They are not treated as a new hire. They come back at basically the same vacation as they had when they left."

Ms. Nita: "Mr. Farley, that was true until July of this year. If you remember we... County Council put in place a different Retirement Policy and because of that, that is no longer true. It was true until..."

Council Member Farley: "That's what I wanted to make sure."

Ms. Turner: "Yes, that has changed. In fact, if someone TERI now or retires, in most cases, there can be some exceptions that they don't come back like they used to. TERI can come back but then they're there five years and they're out. There's not a period of five years and now you can come back to work. That was something that we put into place. County Council, I appreciate that. Another thing that's different with leave, we are looking at the leave policy. The policies are different than what the actual compensation is. So, I am looking at a little...I haven't tasked Denise with that, I've tasked myself with that and that's something I've been looking at. I've been working with an Employee Committee. It's a lot of work and a lot of effort because you are moving peoples' cheese and we are aware that, that may occur. And, we'll be looking at that in the very new future. We hope to give County Council some information on recommended leave changes."

Ms. Mitchum: "Also, the State Retirement System is looking at some changes so, as far as they're concerned maybe after July that may be a new forms or search credit with personal leave time and sick leave..."

Council Member Callanan: "Thank you."

ADJOURNMENT

Supervisor Daniel Davis: "Alright, any other questions? (No Response) I guess we're adjourned then."

The meeting ended at 8:08 p.m.

29 May 2012
Date Approved

NOTICE OF WORKSHOP OF BERKELEY COUNTY COUNCIL

Chairman: Mr. Daniel W. Davis, Supervisor
Vice Chairman: Mr. Steve C. Davis, District No. 8

Members: Mr. Phillip Farley, District No. 1
Mr. Timothy J. Callanan, District No. 2
Mr. Robert O. Call, Jr., District No. 3
Ms. Cathy E. Davis, District No. 4
Mr. Dennis L. Fish, District No. 5
Mr. Jack H. Schurlknight, District No. 6
Mr. Caldwell Pinckney Jr., District No. 7

There will be a **Special Workshop of Berkeley County Council**, on **Monday, April 23, 2012, following other scheduled committee and council meetings at 6:04 pm**, in the Supervisor's Conference Room, Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

WORKSHOP

CALL TO ORDER

CHAIRMAN OF COUNTY COUNCIL

A. DISCUSSION: Compensation Study

ADJOURNMENT

April 18, 2012
S/Catherine R. Windham
Interim Clerk of County Council